

ITEMS OF INTEREST

AUGUST 14, 2009

- 1) Board's voice mail and e-mail:
 - A. Voice mail requesting Willow Rd. bid information.
 - B. E-mail regarding water pressure near Candlewood Suites.
 - C. E-mail for Mr. Hawk.
 - D. E-mail invitation to Commonwealth Connection Academy' grand opening.
- 2) **IMPORTANT DATES:** Attached is a schedule of upcoming meetings.

CET will host an Open House in recognition of its 30th Anniversary on 9/18, from 2:00 p.m. to 7:00 p.m.

The Harrisburg Chamber & CREDC Elected Officials Reception will be held on 10/1, beginning at 5:30 p.m. at the Capitol Rotunda.

The Dauphin County Annual Convention for Township Officials will be held at the Halifax Ambulance Building, beginning at 5:00 p.m.

- 3) As of today's date the FC membership count is 2403 annual memberships and 555 monthly memberships.
- 4) The Audit Committee will meet on 8/18, beginning at 6:00 p.m., with Berkheimer to discuss EIT and LST collection, as well as CTCB issues. Representatives from Swatara and CDSD have been invited to attend. A light meal will be available at 5:45 p.m.
- 5) Staff presented the annual LPTA Second Consent Decree status report to DEP, Swatara Authority, and developer petitioners on 8/11. This meeting went well with no issues raised by the parties. The Second Consent Decree status report will be presented to the LPTA during its meeting on 8/25.
- 6) Staff has scheduled a meeting with affected Conway Road

residents to discuss the construction of a landscape berm to provide a buffer from the compost facility (see attached). This meeting will be held on 8/26, beginning at 6:00 p.m. at the Hodges Heights Park.

- 7) Attached is additional information on a real estate tax assessment appeal filed by Boscov's before the Dauphin County Board of Assessment Appeals. Please review the attached and provide Mr. Stine with direction on how to respond.
- 8) Staff is meeting with AFSCME on 8/17 to discuss a retirement opportunity window, health care, and the Township's financial shortfall in 2008 and 2009-10 (projected). I will report the results of this meeting to the Board on 8/18.

Please contact me with questions or additional information needs.

IMPORTANT MEETINGS FOR THE BOARD OF SUPERVISORS:

Supervisors Business Meetings - 9/1, & 9/15; 7:30 p.m.

Supervisors Workshop Meeting - 9/8; 6:00 p.m.
(a light meal will be available at 5:30 p.m.)

Audit Committee - 8/18; 6:00 p.m.
(a light meal will be available at 5:45 p.m.)

Friendship Operating Board - 8/10; 7:00 p.m. (at the FC)

Village of Linglestown Committee - to be scheduled.

LPTA - 8/25; 6:00 p.m.
(a light meal will be available at 5:30 p.m.)

VOICE MAIL & E-MAIL INDEX

8/709 through 8/14/09

- 8/7 Voice mail from Joe Reed, Construction Data, 614-523-1796, seeking information on the Willow Road project bids. *Referred to Mr. Robbins.*
- 8/8 No voice mail messages.
- Email from Chuck Clemens, cgclemons@comcast.net, regarding a drop in water pressure and concerns with the upcoming connection of the Candlewood Suites. *This email was sent to United Water PA. We were only copied on their email.*
- 8/9 No voice mail or email messages.
- 8/10 No voice mail messages.
- Email from Steven Deck, deck@pbworld.com, for Mr. Hawk, regarding his work with PENNDOT. *Email forwarded to Mr. Hawk.*
- 8/11 No voice mail or email messages.
- 8/12 No voice mail or email messages.
- 8/13 No voice mail messages.
- Email from Jessica Long, long@thebravogroup.com, with an invitation to the Board members for the Grand Opening of the cyber charter school Commonwealth Connection Academy's Harrisburg office, August 27, 2009 from 5 p.m. to 8 p.m.
- 8/14 No voice mail or email messages.

Maureen Heberle

From: Chuck Clemens [cgclemons@comcast.net]
Sent: Sunday, August 09, 2009 3:41 PM
To: uwpquestions@unitedwater.com
Cc: Lower Paxton Township Supervisors
Subject: Water Pressure concerns.

Saturday August 8, 2009

I wanted to contact you in regard to the very low water pressure that we are currently experiencing at my residence. The water pressure has not always been the greatest, but today it seems unusually low.

My wife and I have concerns with the current and future water pressures. Earlier this week, the new Candlewood Suites located just down the street from my residence connected to your water system. Presently they are just completing construction, and are not yet occupied. Our concern is that once they are operating, will we, my neighbors and I, have adequate water pressure for day to day living?

Thank you, in advance for your attention to this matter

Charles G. Clemens

Charles G. (Chuck) Clemens - cgclemons@comcast.net

**520 N. Lockwillow Ave.
Harrisburg, PA 17112-2560**

(717) 652-2413

Maureen Heberle

From: Steven Deck [deck@pbworld.com]
Sent: Monday, August 10, 2009 5:10 PM
To: deck@pbworld.com; piltman@pbworld.com; mheberle@lowerpaxton-pa.gov; wpetit@state.pa.us; bwall@state.pa.us; creed@state.pa.us; dpuko@state.pa.us; dhill@pacounties.org; eknittel@boroughs.org; hmcgowan@state.pa.us; jmedley@state.pa.us; jlq@lvpc.org; lashifflet@state.pa.us; markstivers@easthempfield.org; ptarquino@co.franklin.pa.us; trricelfresh@state.pa.us; dtkotay@comcast.net; jschwank@10000friends.org; ewilson@10000friends.org; mbrummer@gfnet.com; cdixon@trafficpd.com; dipietro@spcregion.org; jlim-yap@glatting.com; ewiley@state.pa.us
Cc: deck@pbworld.com
Subject: ProjectSolve alert

There are now a number of files on the ProjectSolve website ("August Committee Meeting Materials" folder) for you to access, print and bring to our committee meeting this Thursday, including an agenda for the meeting.

Most comments have been addressed in the "Comprehensive Plan Tech Memo - Final Draft.doc" and "Best Practice Appendix.doc" files. There is also a summary of the comments received that are not incorporated into the new version in the "Summary of Unchanged Comments.doc" file.

We have also uploaded draft training materials including "Comprehensive Plan Training Outline.doc" and "Draft Training Slides - Screen Res.ppt".

Please review these documents for our discussions at the 1:00 meeting on Thursday in the Gannett Fleming offices. Call-in information is available on the original email invitation if you are not able to travel to the meeting. You may call me with any questions at 717-412-4795.

Please check out this item in the PennDOT Comprehensive Plan Handbook Project Site:

PennDOT Comprehensive Plan Handbook/ Task 2 Develop Handbook for Municipalities/ August Committee Meeting Materials https://ww3.projectsolve2.com/eRoom/fac20/CompPlanHandbook/0_175a

To turn on notification for this item, go to:
https://ww3.projectsolve2.com/eRoomASP/FormDispatcher.asp?Dlg=DlgNotifications&ID=0175a&Ctxt=.fac20.CompPlanHandbook.0_175a

Supervisors

From: "Long, Jessica" <long@thebravogroup.com>
To: <supervisors@lowerpaxton-pa.gov>
Sent: Thursday, August 13, 2009 9:32 AM
Subject: Invitation - Grand Opening Event

Dear Supervisors,

We would like to invite you to the Grand Opening of the cyber charter school Commonwealth Connection Academy's Harrisburg office in Lower Paxton Township.

We are expecting approximately 150-200 people for a carnival-like event with entertainment for the children and food. There will also be a ribbon-cutting ceremony at 6:30 p.m.

Details

Date: Thursday, August 27

Time: 5:00-8:00 p.m.
Ribbon cutting ceremony at 6:30

Location: 4050 Crums Mill Road
Harrisburg, PA 17112-2827
(Event will be in the parking lot)

Contact: Jessica Long
717-214-2200 (w)
717-712-8359 (c)

Please let me know if anyone will be able to attend and feel free to contact me at any time.

Thanks, Jess

Jessica Long // Bravo Communications // Harrisburg + Philadelphia
long@thebravogroup.com // www.thebravogroup.com // 717.214.2200

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www.healthpointpa.com

LOWER PAXTON TOWNSHIP

425 PRINCE STREET HARRISBURG, PA 17109
717/657-5600 FAX 717/635-2600
www.lowerpaxton-pa.gov

BOARD OF SUPERVISORS

WILLIAM B. HAWK
CHAIRMAN

WILLIAM C. SEEDS, SR.
VICE CHAIRMAN

GARY A. CRISSMAN
SECRETARY

WILLIAM L. HORNUNG
DAVID B. BLAIN, CPA, CVA

August 13, 2009

Jerry & Sonia Fleming
6621 Conway Road
Harrisburg, PA 17111

Re: Landscape Berm
Meeting Date

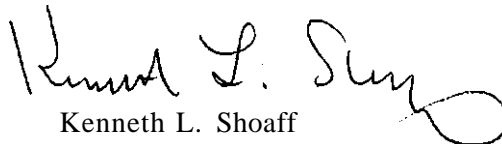
Dear Mr. & Mrs Fleming:

Lower Paxton Township has scheduled a meeting on August 26, 2009 at 6:00 pm to discuss the construction of a proposed earthen landscape berm behind your property.

This meeting is for residents that reside on the south side of Conway Road and will be directly affected by the berm. The meeting will be held at the Hodges Heights Park Pavilion. In attendance will be George Wolfe, Township Manager, Sam Robbins, Public Works Director, and Ken Shoaff, Health Officer, to answer all of your questions.

I look forward to seeing you at this important meeting. If you should have any questions about the meeting, please call me at 657-5600.

Sincerely,



Kenneth L. Shoaff
Health Officer

KLS:mmh

JAMES R. CLIPPINGER
CHARLES J. DEHART, III
JAMES L. GOLDSMITH
P. DANIEL ALT LAND
JEFFREY T. MCGUIRE*
STANLEY J. A- LA5KOWSKI
DOUGLAS K. MAR3ICO
BRETT M. WOODBURN
MICHAEL D. REED
PAULA J. LEICHT
ELIZABETH H. FEATHER
KAREN W. MILLER
DOUGLAS M. OBERHOLSER
*BOARD CERTIFIED CIVIL TRIAL ADVOCATE

CALDWELL & KEARNS
A PROFESSIONAL CORPORATION
ATTORNEYS AT LAW
3631 NORTH FRONT STREET
HARRISBURG. PENNSYLVANIA 17HO-1533

OF COUNSEL
CARL G. WASS
JAMES D. CAMPBELL. JR.
THOMAS D. CALDWELL. JR.
U928-20011
RICHARD L. KEARNS
RETIRED

August 6, 2009

FAX. 717-232-2766
thefirm@caidwellkearns.com

Steven A. Stein
23 Waverly Drive
Hummelstown, PA 17036

William T. Tully, Esquire
County Government Center
Two South Market Square
P.O. Box 1295
Harrisburg, PA 17108-1295

Dean F. Piermattei, Esquire
Rhoads & Sinon LLP
POBox 1146
Harrisburg, PA 17108-1146

Re: Berks County Real Estate Associates III, L.P. (Boscov)
Tax Parcel No. 35-037-012

Dear Steve, Dean, and Bill:

We have received from Patrick F. Noone, MAI, his appraisal review of the appraisal report submitted by Boscov's Department Store when it filed its tax assessment appeal last fall. That appraisal report was performed by Alvin O. Benton, MAI, of Benton Advisoiy Group. Ltd., of Atlanta, Georgia. Mr. Benton's opinion of the market value of the Boscov property (3.96 acre building site and department store), as of August 2008, was \$7,500,000. That contrasts with the "implied" market value of the subject property in existence at the time of the appeal which was \$ 13,213,100.

I am sharing with each of you a complete copy of the review appraisal submitted by Mr. Noone. Mr. Noone makes only one criticism regarding the integrity and quality of the appraisal report submitted on behalf of Boscov's, to wit: that the appraisal contained very little commentary with regard to the subject department store within its marketing area of south central Pennsylvania. On the other hand, Mr. Noone makes note (on page 5) that the appraiser (Mr. Benton) is very knowledgeable and experienced in the valuation of department stores. Additionally, on the same page, Mr. Noone comments further upon his only criticism on the Benton appraisal by providing what will be Mr. Benton's obvious defense to his failure to offer any commentary upon south central Pennsylvania marketing, to wit: that the buying and selling of department stores is not comprised of a single-site sale here and there, nor is it localized. Exchanges or sales and purchases typically involve a number of different sites at varying, diverse and widespread locations, thus, reflecting a nationwide investment and/or management policy.

August 6, 2009

Page 2

Subsequent to the receipt of this report and its analysis by the undersigned and by Steve Howe, Director of Assessment for Dauphin County, we both have spoken with Mr. Noone. During those conversations, Mr. Noone has related to both of us that, though it is not part of his review, he has spoken with several other appraiser friends who are affiliated with appraisal firms which have a nationwide clientele and has found confirmation for his analysis that the department store industry, as he declares it to be on page 5: "... is in a downward spiral". In summary, it appears that Mr. Noone, if he were now requested to perform a full appraisal for presentation at a trial would likely conclude an opinion of value in that range of \$7.5 million, perhaps a bit higher, but no higher than \$8 million dollars. In view of the costs that would have to be expended to have Mr. Noone perform an appraisal and produce an appraisal report, it appeared to Steve Howe and the undersigned that we should attempt to negotiate a settlement rather than commission the performance of an appraisal which gives every appearance of not being cost-effective.

I have contacted the attorney for Boscov's and after several exchanges that attorney (Anthony Thompson, Esquire) and his client, have indicated a willingness to move upward, to \$8,000,000 as a market value figure, but no more than that. Under all of the circumstances outlined, we believe that it is in the best interest to accept \$8 million dollars as the market value figure, rather than expending another \$6,500 to secure an appraisal that may not attain even that \$8 million dollars.

If the market value figure of \$8 million dollars is utilized for the current year (2009) of taxability, the assessment for the subject property would be \$5,480,000, derived by multiplying \$8,000,000 x .685. Slightly on the plus side, the common level ratio has increased slightly as of July 1, 2009, to .705. Thus, the assessment for taxes levied on or after January 1, 2010 would be \$5,640,000 (\$8,000,000 x .705).

We recommend to your respective taxing bodies that we enter into a stipulation with the Appellant in this case to fix the market value for the property at \$8 million dollars and the assessment for 2009 and 2010 at the figures set forth in the immediately preceding paragraph. I request that each of you discuss this recommendation with your respective taxing bodies and advise, as promptly as is possible, if your governing body will or will not authorize your consent to the proposed stipulation for settlement.

I thank each of you for your past and continuing cooperation.

Very truly yours,

DICTATED BUT NOT READ

Carl G. Wass
CALDWELL & KEARNS

**NOONE &
ASSOCIATES**
REAL ESTATE VALUATION & ANALYSIS

July 9, 2009

Steven L. Howe, CPE
Dauphin County Tax Assessment Office
2 South Second Street - 2nd Floor
Harrisburg, PA 17108

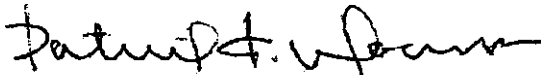
RE". Appraisal Review
Boscov's Department Store — Colonial Park Mall
4500 Jonestown Road
Lower Paxton Township, Dauphin County, PA

Dear Mr. Howe,

I am pleased to present the attached review of the above referenced appraisal report. Please call if you have any questions or comments regarding this review.

Respectfully submitted,

Noone & Associates, Inc.



Patrick F. Noone, MAI »
PA Certified General Real Estate Appraiser
Certification Number GA 001272-L

CC: Carl Wass

Page 2**Appraisal Review - Boscov's Department Store, Colonial Park Mall****Appraisal Review Assignment Identification**

This is a review of an appraisal report prepared by Benton Advisory Group, LTD., 6445 Power Ferry Road, Suite 100, Atlanta, GA 30339. The appraisal was signed by Alvin O. Benton, MAI. The property that is the subject of the appraisal under review is:

Boscov's Department Store — Colonial Park Mall
4500 Jonestown Road
Lower Paxton Township
Dauphin County, PA
Tax Map Parcel #35-037-012

Type of Appraisal Report Under Review

The appraisal is identified as a *Summary Appraisal Report*, as defined in Standards Rule 2-2(b) of USPAP.

Date of Work Under Review

The effective date of the appraisal under review is August 1, 2008.

Intended User of the Appraisal Review

The intended user of the appraisal report is the client, Dauphin County Tax Assessment Office.

Intended Use of the Appraisal Review

The appraisal report will be used by Dauphin County Tax Assessment Office, in conjunction with a tax appeal.

Purpose of the Appraisal Review

The purpose of the appraisal review is to develop a credible opinion as to the quality and reasonableness of an appraisal report prepared for a tax appeal.

Effective Date of the Appraisal Review

The effective date of the appraisal review is July 9, 2009.

Scope of Work

The scope of work performed in the development of an appraisal review includes:

- Thorough reading of the appraisal report and report addendum;
- Reviewing the appraisal report in the context of USPAP;
- The review was conducted in the context of market conditions as of the effective date of the appraisal under review;
- Reviewing the appraisal report in the context of reasonable valuation analysis.

Value Opinion

The scope of work does not include the reviewer developing a value opinion.

Extraordinary Assumptions

No extraordinary assumptions were made regarding this review.

Page 3**Appraisal Review — Boscov's Department Store, Colonial Park Mall****Review Comments**

- I. This is a summary appraisal report that includes a reasonable valuation analysis for an existing 188,735 square foot the Boscov's Department Store. Boscov's, The Bon Ton and Sears are the anchor stores at the Colonial Park Mall. The mall is constructed on a parcel of land containing approximately 44 acres. Boscov's is constructed on a parcel of land containing 3.96 acres. The subject property is located on parcel 35-37-12. The appraisal report incorrectly identifies the subject parcel as #4105 0085 1000.
- II. There is no discussion in the appraisal report regarding the region or the neighborhood. There is no description in the appraisal report of the subject improvements or the Colonial Park Mall other than a one page summary shown in the addenda (Page A1). The appraiser includes no opinion as to the physical and functional condition of the subject property.

The appraisal report contains no retail analysis addressing the growth of competing big box **Tetail** stores in the greater East Shore market. Nor is there any demographic trend analysis addressing whether there are .an adequate number of residents to support existing and proposed retail development.

There is no analysis of the local retail market other than a one page summary of competing malls shown in the addenda (Page A6). The competing malls identified in the appraisal include that include Boscov's stores, are the Harrisburg Mall and Park City Mall in Lancaster. Boscov's vacated the Harrisburg Mall several years ago and Park City Mall Lancaster does not really compete with Harrisburg area malls. Given the fact that the appraiser fails to mention the Boscov's at the Camp Hill Mall or the Boscov's at the Lebanon Valley Mall, both of which are closer to the Colonial Park Boscov's than the Boscov's at Park City, indicates to me that the appraiser has made no attempt to familiarize himself with the local market.

The appraisal report includes a Highest and Best Use analysis that adequately addresses the highest and best use of the property "as vacant" and "as is". The report concludes that the highest and best use is as a department store.

- ,JII. The appraisal report includes all three approaches to value (Income, Sales and Cost Approaches) in estimating the market value of the subject property in its "as is" condition.
- IV. The Income Approach was developed using direct capitalization. The appraisal notes that the market for department stores is nationwide in scope and includes 12 comparable department store leases. The leases date from 1995 to 2008, range in size from 75,000 to 190,000 square feet and range m rent from \$3.16 to \$6.60 per square foot unadjusted. Market rent was estimated at \$4.00 per square foot.

Page 4**Appraisal Review — Boscov's Department Store, Colonial Park Mali**

There appears to be sufficient data regarding the comparable leases to adequately estimate a market rent for the subject property. As a test of reasonableness, the appraiser also analyzed rents based on data shown in the publication *Dollars and Cents of Shopping Centers* and analyzed rents on a percentage of gross sales basis.

Expenses are estimated at \$0.23 per square foot and include reserves, collection losses, maintenance and supervision. No vacancy loss was estimated. The long-term nature of an anchor store lease typically precludes estimating a vacancy loss.

Capitalization rates were analyzed using published surveys, actual rates extracted from sales and a band of investment analysis. The indicated rates ranged from 8.9% to 11.7% and the appraiser reconciled a rate of 9.5% for the subject property, which yielded a overall value of \$7,500,000 or \$39.73 per square foot.

- V. The Sales Comparison Approach was developed to estimate the "as is" value of the subject property using 10 primary department store sales. The sales include department stores that are located within enclosed malls similar to the subject. The sales date from the period 2006-2007 and range in size from 110,000 to 234,945 square feet. Unadjusted the sales price per square foot indicated by the sales range from \$24.13 to \$72.36.

The appraiser included a comprehensive adjustment grid that analyzed sales on the basis of store age, store sales, size of host mall, other anchors, store size, mall image, competition, trade area population and household income. The adjusted price per square foot Based on the 10 primary sales, ranged from \$ 16.18 to \$47.03 per square foot, and a value of \$40.00 was reconciled for the subject. This value yielded a total market value indication of \$7,550,000.

As a test of reasonableness an additional 200 sales were analyzed solely on a statistical basis (i.e., 44 sales sold between 2004 and 2007 and of these sales 63.6% sold for less than \$40 per square foot).

- VI. The Cost Approach was developed in the appraisal of the subject property. However, the appraiser notes that this approach is considered the least reliable approach in valuing anchor department stores because buyers and sellers do not rely on it. One of the problems with developing the Cost Approach for an anchor department store is that pad sites are usually deeded for little or no consideration and the land can only be valued for use as an anchor department store as part of a regional mall. Despite lack of truly comparable land sales, the appraiser analyzed 6 land sales with similar highest and best uses (anchor department store) and estimates a value of \$500,000 for the subject property.

The costs of the improvements are shown at \$78.50 per square foot based on the Marshall Valuation Service. Depreciation is estimated based on the age-life methodology and is also extracted from sales. The total depreciation is estimated at 55%, which yields a depreciated cost of \$35.33 per square foot or \$6,668,83'0. Adding the land value (\$500,000) yields a total value indication of \$7,200,000.

Page 5

Appraisal Review — Boscov's Department Store, Colonial Park Mall

- VII. The appraiser reconciles a value of \$7,500,000 for the subject property and places equal weight on the Income and Sales Comparison Approaches. These approaches include reliable data and a comprehensive analysis of the data presented. This appraiser is very knowledgeable and experienced in the valuation of department stores as evidenced by this appraisal.

While he has made no attempt to familiarize himself with the local market or to analyze the local market, he correctly notes in his report that the market for anchor department stores is nationwide in scope. The approaches to value are very specific to this type of property (anchor department stores) and clearly reflect the actions of buyers and sellers of department stores in the marketplace.

On a final note, in an attempt to reach a comfort level with the value reconciled in this appraisal, I spoke to several MAI appraisers in larger metropolitan areas who appraise a wide range of retail properties including anchor department stores. I also consulted industry publications regarding the retail market. The overall consensus is that retail property values are in a downward spiral. Rents are down and cap rates are trending upward. Shopping center owners and tenants are experiencing a drop in demand as the recession continues.